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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 000575

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SUBJECT: IRAQ: MAKE IT A STRONG PARTNER IN DEALING WITH  
IRAN

REF: A. (A) BAGHDAD 289

[1](#)B. (B) BAGHDAD 011

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Classified By: Political Counselor Robert Ford for reasons 1.4 (b)

(U) This is the first in a series of messages intended to  
provide background for policy-makers on Iraq.

SUMMARY

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[1](#)1. (C) The 2003 invasion of Iraq, and the subsequent seating of a Shia-led government, opened new opportunities for Iran to influence Iraqi politics and to bleed U.S. forces. Many Iraqis, especially Sunnis, still view Shi'a Islamist parties ISCI and Badr, which have their origins in Iran, as no more than catspaws of Tehran. In the past year, however, Iraq has grown more assertive in dealing with Iran and, as a result, the relationship has become more normal. Maliki's routing of Shi'a militias has soothed many Iraqis' worries that he was but a pawn of Tehran, and helped his Da'wa party in the provincial elections. ISCI and Badr support for the U.S.-Iraq security agreement against intense private and public Iranian opposition was a strong signal that Iraqi Shi'a parties are unwilling to be dictated to by Iran. And, as historical Iraqi nationalism reasserts itself, so do Iraqi leaders in their dealings with Iran.

[1](#)2. (C) Having lost the strategic initiative, at least for the present, Tehran appears to be taking a more pragmatic approach to relations with Baghdad. Good, normal relations with Iran will help stabilize Iraq, but the nature of the Iranian government ensures that subversion will also remain in Tehran's tool-kit. U.S. and Iraqi positions are well aligned concerning relations with Iran, both the good and the bad of them. Iraq's current behavior and enduring interests point away from a strategic alignment with Iran. We should treat Baghdad as a strong partner in dealing with Tehran, while understanding that our tactical approaches will often differ. END SUMMARY.

[1](#)3. (C) The 2003 invasion of Iraq opened new opportunities for Iran to exert influence in Iraq, and indirectly over the United States. Iran suddenly found itself with American forces on both its western and eastern borders, in Iraq and Afghanistan. To be sure, this situation posed risks for Tehran, but it also presented the opportunity either to gain leverage over the United States by offering its neutrality or support, or to bleed U.S. forces by directing and supplying insurgent proxies -- or both. Under Saddam since the end of the Iran-Iraq war, relations with Baghdad had been frozen and hostile. Now, however, Iraq's Shi'a majority, for the first time in Iraqi history, had come to power. Two of the most powerful Shi'a organizations, the Supreme Council for an Islamic Revolution in Iraq (SCIRI, now renamed ISCI) and its

associated Badr militia, had been founded in Iran during the Iran-Iraq war, and Badr had been trained and supplied by the Revolutionary Guards.

¶4. (C) ISCI's senior leader, Abdel Aziz al-Hakim, has received frequent care for his cancer at an Iranian hospital, and some senior ISCI figures, such as Shaykh Human Hamudi, have family members still living in Iran. (ISCI and Badr leaders, however, have always been very open to receiving American Embassy and military visitors. With us in private, they underline that they want good relations between Iraq and Iran, and between Iraq and the United States.) Nor are ties between Iraqi politicians and Iran limited to Shi'a. President Talibani's home political base in eastern Iraqi Kurdistan is next to the Iranian border, and he has had long good relations with Iran. Talabani in private will note with a wry smile that Iraq must deal with its eastern neighbor, but he too emphasizes that good relations with the U.S. are essential for Iraq's future.

Iraq views Iran: Nationalism or Shi'ism?

¶5. (SBU) In Iraq, relations with Iran are, of course, a controversial matter with origins reaching back at least to the first century of Islam. With the resurgence of the religious schools of Najaf since 2003, and of the pilgrimage sites both there and in Karbala, another dimension of the Iraq-Iran rivalry has been reawakened. It is common, especially among Sunnis, to hear accusations that the GOI is a willing tool of the "Persians." Even the greatly respected Ayatollah Sistani is not free from suspicion of his Iranian origins. Numerous western journalists have argued that the GOI is heavily influenced by Iran, or even little more than its puppet. Those who assert this cite not just religious affinity and the origins of ISCI/Badr, but also the public

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defense of strong relations with Iran by Shi'a politicians and Iranian payments to Iraqi officials and parliamentarians.

(Of course, accusations of excessive affinity with Iran come not only from Iraqis and Iraq-based journalists, but also from Sunni-majority Arab countries -- often with greater vehemence.)

¶6. (C) Whatever merits such claims might once have had, over the past year Iraq's relationship with Iran has evolved, much to the advantage of the United States. Prime Minister Maliki's successful series of military offensives, beginning in Basra in March 2008, have stoked historical Iraqi nationalism. The fact that many of the targets of these offensives were Shi'a militias has defused (although not entirely removed) the suspicion that Maliki is a purely sectarian politician. And the good showing in provincial elections by secular parties -- including Da'wa's success in re-branding itself as secular -- over religious parties such as ISCI, has dealt a blow to any idea that religious affinity with Iran would trump Iraqi nationalism (an -ism which, in its anti-Iranian version, unites Sunnis, Kurds and many Shi'a, making it one of the glues binding Iraq together).

Baghdad pushes back

¶7. (C) Maliki's strengthening and the resurgence of secular Iraqi nationalism have, in turn, led Baghdad to assert itself increasingly in its relations with Tehran. The passage of the Security Agreement (SA) in November 2008 is an important example. The Iranian government had strongly pressured visiting Iraqi leaders to reject the agreement, and had ceaselessly condemned it in public. In the end, however, the SA passed the Iraqi parliament easily, including with the support of the "pro-Iranian" ISCI and Badr. In the difficult diplomacy leading up to the passage, the biggest obstacle we had to deal with was not Iraqi fear of Iranian opposition, but rather leaders' fear that they would be attacked as not

sufficiently nationalistic if they supported an agreement legitimizing even the temporary presence of Coalition forces on Iraqi soil.

18. (C) Once the SA had been approved, Iran changed tack almost immediately. It began hailing the SA as a triumph for those wishing to rid the region of Coalition troops. More importantly, Iraqi leaders tell us that they have been treated with increasing respect by the Iranians. Relations have become more pragmatic, with a more normal (if, as in the case of disputes over the border along the Shatt al-Arab, sometimes potentially explosive) bilateral agenda (see Ref A). While relations have improved, examples of Iraqi wariness toward Iran abound. Ref B reported discomfort among some clerics in Najaf about Iranian influence in Iraq, since Najaf wants to displace Qom as the uncontested center of Shi'a learning. Most recently, the current visit of former president Hashimi Rafsanjani has triggered protests from Sunni Arabs, including the Vice President's Iraqi Islamic Party. Press reports on March 5 indicated that Ayatollah Sistani would refuse to receive Rafsanjani during the latter's visit to Najaf on March 5. The fact is that, over the past year, Iran has lost the strategic initiative in Iraq. At least until it decides how to try to regain ground, Tehran appears much more willing than in the past to treat Baghdad as an equal, more or less normal, partner.

The yin and yang of Iraq-Iran relations

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19. (C) And much of the Iraq-Iran relationship is normal. Iranian investment and trade with Iran are increasing, as is the flow in both directions of pilgrims and tourists. A bilateral technical team has been working since last Fall to resolve border issues, including along the Shatt al-Arab. All this will help make Iraq more prosperous and thus more stable. And deeper, mutually beneficial relations may also provide a buffer against conflict in the future. We do and should encourage the development of these activities. Given the nature of the Iranian government, however, its approach to Iraq must continue to have a dark side of subversion. The Iraqi banking system is vulnerable to Iranian abuse. We have noted a recent increase in the number of Iranian-origin Explosively-Formed Penetrators entering Iraq. And we must assume that Iran will continue to seek to influence events in Iraq through arming and training extremist groups to conduct targeted assassinations of political figures and security officials, through attacking the Iraqi security structure in order to undermine the GOI in the eyes of its people, and through launching news-making attacks on Coalition forces.

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But here again, we agree with the GOI on opposing these activities. We cooperate closely in doing so, and doubtless will into the future, since countering the sinister aspects of Iranian influence is an enduring common interest.

Iraq: Partner to the U.S., not fellow-traveler to Iran

10. (C) For the United States, a nationalistic Iraq intent on maintaining a wary independence from Iran while pursuing good neighborly relations with it will be a solid and crucial partner in our dealings with Tehran. We will not agree on all details, and can expect that Iraq, which must forever live next to Iran, will often be keener than we would prefer to maintain cordial relations with its eastern neighbor. We would be mistaken, however, to take that behavior for subservience to Tehran, or to believe that Iraq's interests must be strategically aligned with those of Iran. Indeed, the greater number of factors, including re-emerging history, point in the opposite direction.  
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